

Message Text

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ACTION AF-08

INFO OCT-01 ISO-00 XMB-02 EB-07 COME-00 AID-05 CIAE-00
INR-07 NSAE-00 TRSE-00 GSA-01 /031 W
-----301227Z 031189 /14
R 301005Z DEC 76
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC 4720

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E.O. 11652: N/A
TAGS: EAID, BPRO, EFIN, ZA, US
SUBJ: US FIRM OFFERS COPPER TUBING MILL

REF: STATE 293346

1. EMBASSY'S INITIAL REACTION TO PROPOSED SALE IS THAT COPPER TUBING PLANT MAY NOT BE ECONOMICALLY VIABLE FOR ZAMBIA. NCHANGA MINING OFFICIALS IN RECENT MEETING WITH AMBASSADOR AND ECON OFFICER CLAIMED THAT CONTINUOUS CASTING PLANT WOULD BE REQUIRED AND THAT SUCH A PLANT WOULD PLACE HEAVY EMPHASIS ON EXPATRIATE TECHNICIANS. OFFICIALS POINTED OUT, AND EMBASSY AGREES, THAT EXPATRIATE STAFFING IS A VERY SENSITIVE SUBJECT IN ZAMBIA AT THE PRESENT TIME. ADDITIONALLY, THE MARKET FOR COPPER TUBING IN ZAMBIA ITSELF WOULD NOT JUSTIFY PLANT CONSTRUCTION. SUPPLYING NEIGHBORING COUNTRIES WITH LIMITED DEMAND OR COMPETING IN THE EXPORT MARKET WITH MAJOR INTERNATIONALS WOULD ALSO BE QUESTIONABLE ON ECONOMIC GROUNDS GIVEN THE HIGH INLAND TRANSPORTATION COSTS TO DAR OR ANOTHER PORT. NCHANGA OFFICIALS STATED THAT COPPER TUBING IS A DIFFICULT ITEM TO SHIP GIVEN ITS FRAGILE NATURE.

2. EMBASSY AGREES THAT EXIM FINANCING OF PROJECT MAY NOT BE POSSIBLE BUT HAS RECEIVED INDICATIONS FROM A
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NUMBER OF MAJOR US BANKS THAT THEY ARE LOOKING FOR PROJECTS TO FINANCE IN ZAMBIA. THEY DID NOT INDICATE WHETHER THEIR INTEREST WAS CONTINGENT ON EXIM PARTICIPATION OR GUARANTEE.

3. SUBJECT OF COPPER TUBING PLANT WAS RAISED BY AMBASSADOR

AT MEETING WITH INDECO (ZAMBIA PARASTATAL MANUFACTURING CORPORATION) OFFICIALS WHO EXPRESSED SOME INTEREST IN THE PROJECT. BECAUSE OF HOLIDAY SEASON, EMBASSY HAS BEEN UNSUCCESSFUL IN REPEATED ATTEMPTS TO REACH OFFICIALS INVOLVED TO DISCUSS SUBJECT IN MORE DETAIL. EMBASSY WILL CONTINUE ATTEMPT TO DETERMINE LEVEL OF GRZ INTEREST IN PROPOSAL AND SUGGESTS THAT AGRICOLA FORWARD WHATEVER ADDITIONAL DETAILS ARE AVAILABLE TO THE EMBASSY FOR TRANSMISSION TO GRZ SHOULD THEY EXPRESS SERIOUS INTEREST. LOW

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, TECHNICAL ASSISTANCE, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LUSAKA03496
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760476-0145
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Handling Restrictions: n/a
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Status: NATIVE
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